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Leaders, Ladies and Gentlemen,

I feel greatly honored to have this opportunity to be present at this SINO-US forum on oil and natural gas.

Oil and natural gas are important energy resources and also important raw materials for petrochemical industry. Oil and natural gas industries hold a very important position in China's national economy. They have very important effect on national economy and people's livelihood. The government of China has always put great emphasis on reform and development of oil and natural gas industry. This year, great readjustment has been made to management system and organization structure of oil and natural gas industry. Government administrative functions undertaken by former Ministry of Chemical Industry, China National Petroleum and Natural Gas Corporation and China National Petrochemical Corporation are combined to form State Bureau of Petroleum and Chemical Industries to be managed by the State Economic and Trade Commission. Base on former China National Petroleum and Natural Gas Corporation and China National Petrochemical Corporation, China Petroleum and Natural Gas Group Corporation and China Petrochemical Group Corporation have been organized. These two newly organized group corporations have integrated upstream and downstream, domestic trade and foreign trade, production and marketing respectively in one group. Through this important restructuring, setup of oil and petrochemical industries is established, which has a far-reaching effect on further development and growth of China's oil and petrochemical industries in the 21st century. I would like to take this opportunity to give a brief account of the newly founded State Bureau of Petroleum and Chemical Industries and its major functions and responsibilities.

The newly founded State Bureau of Petroleum and Chemical Industries, as an administrative organization in charge of petroleum and chemical industries, does not exercise direct management over petroleum and petrochemical and chemical enterprises, nor interferes their production and business operation activities.

State Bureau of Petroleum and Chemical Industries has the following major responsibilities:

1. Study and formulate development strategy and plan for petroleum and chemical industries; promote industrial structure readjustment; and guide rational distribution of industries.
2. Study and put forth principles, policies and statutes for development of petroleum and chemical industries; organize and formulate codes, rules and regulations, technical standards of the industries; and standardize industrial operation.
3. Study and put forth recommendations on balance among production of petrochemical products such as crude oil, natural gas, refined oil products and fertilizers, and between imports and exports; coordinate internal relations within petroleum and chemical industries; and maintain equal

and fair competition order.

4. Gather and analyze information on production and business operation trends in petroleum and chemical industries; analyze and release economical, technical and market information of petroleum and chemical industries; provide consulting services.
5. Study and work out policies and measures for carrying out structural reform in petroleum and chemical industries; give directions in restructuring and structural readjustment of state-owned enterprises and establishing modern enterprises systems; promote elimination of deficits, relieving of difficulties in business operation, reduction of employees for raising efficiency and expansion of reemployment in petroleum and chemical industries.
6. Organize economic and technical cooperation and exchanges in petroleum and chemical industries between governments; organize and coordinate implementation of relevant international conventions.

More than half a century's development, particularly, with development since reform and opening door to the outside world, China's petroleum and chemical industries have made achievements attracting worldwide attention. China's petroleum and chemical industries, as basic industries of national economy and key industries of the country, shoulder heavy responsibilities in developing socialist market economy.

The United States is the largest oil consuming and important oil and gas producing country, and also the place of origin of modern oil industry. The United States has many successful experiences and practice for us to learn from and make reference to in formulating policies and statutes for petroleum and natural gas industries, dealing with government-enterprise relations, organization, management and technologies of exploring, processing and utilizing oil and natural gas.

State Bureau of Petroleum and Chemical Industries of China, as an administrative organization in charge of petroleum and chemical industries, sincerely hopes to further develop exchanges with Energy Department of the United States, other government organizations and friends from US oil and natural gas industries so as to further mutual understanding, strengthen cooperation, promote development and progress of oil and natural gas industries of the two countries and create with our common efforts a glorious future for the whole mankind in the new century.

Thank you.